



## ***The CAFTA-DR: Strengthening Freedom, Democracy and Security***

*"...Today, a part of the world that was once characterized by unrest and dictatorship now sees its future in free elections and free trade, and we must not take these gains for granted....By transforming our hemisphere into a powerful free trade area, we will promote democratic governance and human rights and economic liberty for everyone." -- President George W. Bush, May 17, 2005*

- The Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR) is about much more than trade. The **CAFTA-DR is a vehicle to support the desire of Central Americans to pursue freedom, democracy, security, respect for human rights, and economic reform.**
- In the 1980s, conflicts in Central America affected the lives of hundreds of thousands of people. Over the past two decades, the nations of Central America have emerged as democracies in need of U.S. support.
- Governments, members of the business community, and civil society are working toward ensuring peace, security, prosperity and socio-economic development. These efforts are focused on eradicating corruption, human rights violations, organized crime, and violence.
- U.S. security is connected to development in the hemisphere. Criminal gangs, drug trafficking, even trafficking in persons create dangerous transnational networks. The CAFTA-DR offers a way to treat the cause of the problem, rather than just the symptoms.
- Improved transparency in government is a CAFTA-DR obligation that will stimulate investment and job creation. Under the CAFTA-DR's provisions, member countries agree to make public their laws, regulations, procedures and administrative rulings respecting any matter covered by the agreement.
- The presidents of Central America and the Dominican Republic have said that the CAFTA-DR will strengthen the foundations of democracy by promoting growth and cutting poverty, creating equality of opportunity, fighting crime and reducing corruption. We are already seeing tangible results.

## **Central America is Committed to Strengthening Freedom, Democracy & Security:**

- **Democratic Governance**
  - All of Central America's current presidents were freely and fairly elected.
  - The Guatemalan government opened the government procurement process to the public with the creation of Guatecompras, an Internet-based system that limits bureaucratic hindrances and promotes transparency. The government says 95 percent of all executive branch entities and 94 percent of all municipalities now use Guatecompras. This makes the Guatemalan government more accountable to its citizens.
  - Last year, Honduras enacted its first transparency and competition laws, and formed a competition commission.
- **Anti-Corruption**
  - Every CAFTA-DR country has ratified the UN Convention Against Corruption: El Salvador (Jul 04), Honduras (May 05), Nicaragua (Feb 06), the Dominican Republic (Oct 06), Guatemala (Nov 06) and Costa Rica (Mar 07).
  - All the CAFTA-DR countries are actively participating in the OAS anti-corruption program (MESICIC) to ensure full implementation of their commitments made in the Inter-American Convention Against Corruption.
  - Guatemala is weeding out corruption in strategic sectors where it is most endemic. Customs reform is a priority. The Guatemalan Tax Administration has removed several corrupt officials and created new import procedures to inject transparency into the Customs administration.
  - El Salvador implemented a national ethics law to combat corruption.
  - The Dominican Republic government passed a procurement law which requires open bidding and transparent acquisition practices by government offices. An anti-bribery law provides for criminal penalties for any official receiving a bribe and for those offering one.
  - Honduras' largest port, Puerto Cortes, replaced the port authority in an attempt to reduce corruption and increase revenue collection.
- **Law and Order**
  - The Central American governments continue to send law enforcement officials to the International Law Enforcement Academy (ILEA) in San Salvador for training. In February 2007, the Academy completed its third anti-gang program, training police and prosecutors from the region in the best practices of fighting gang activity and other crimes.

- El Salvador government passed a witness protection law in 2006.
- Social Reform
  - "Red Solidaria" is a new poverty alleviation program designed by the government of El Salvador that gives poor families \$15-\$20 per month in exchange for requiring parents to vaccinate their children and send them to school.
  - Central American governments are actively promoting the rule of law, investment in its people, and economic freedom in order to qualify for Millennium Challenge Account (MCA) assistance. So far, El Salvador, Honduras, and Nicaragua have secured MCA compacts. The Dominican Republic and Guatemala have established government entities that are focused on improving the judicial system, improving health care and education, and promoting open economies in order to qualify for MCA assistance in the future.